House Subcommittee on Water, Power and Oceans

John Fleming, Chairman Hearing Memo

June 22, 2015

To: House Subcommittee on Water, Power and Oceans Members

From: Water, Power and Oceans Subcommittee Republican Staff

Subject: June 25, 2015, 10:00 a.m. House Water, Power and Oceans Subcommittee

Legislative Hearing on H.R. 1107, "The Bureau of Reclamation Transparency

Act" (Gosar, R-AZ)

Hearing Overview:

On June 25, 2015, at 10:00 a.m. in 1324 Longworth, the House Water, Power and Oceans Subcommittee will hold a legislative hearing on H.R. 1107 "*The Bureau of Reclamation Transparency Act*" sponsored by Rep. Gosar.

Bill Summary:

H.R. 1107, "*The Bureau of Reclamation Transparency Act,*" is a bipartisan bill that requires the Secretary of the Interior to publish reports detailing specific repairs and rehabilitation needs at Bureau of Reclamation facilities.¹

Cosponsors:

Reps. Mark Amodei (R-NV), Joe Barton (R-TX), Matt Cartwright (D-PA), Mike Coffman(R-CO), Jeff Denham (R-CA), Trent Franks (R-AZ), John Garamendi (D-CA), Cresent Hardy (R-NV), Joe Heck (R-NV), Jared Huffman (D-CA), Ann Kirkpatrick (D-AZ), Grace Nepolitano (R-CA), Krysten Sinema (D-AZ), Ted Lieu (D-CA), Cynthia Lummis (R-WY), Tom McClintock (R-CA), Jeff Miller (R-FL), Steve Pearce (R-NM), Matt Salmon (R-AZ), Scott Tipton (R-CO), and Ryan Zinke (R-MT)

Background:

Created in 1902, the U.S. Bureau of Reclamation (Reclamation) has been essential to western growth and development. Chartered with the mission of reclaiming the West's dry-arid deserts, Reclamation projects provide indispensable water to over 31 million Americans and electricity to 3.5 million homes in 17 western states.² As one of the nation's primary water management agencies, Reclamation supports projects that provide water to rural communities, growing municipalities, and for industrial uses.

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¹ The Bureau of Reclamation Transparency Act, H.R. 1107, 114th Cong. §§ 4,5 (2015).

² http://www.usbr.gov/power/who/who.html

Reclamation's inventory includes 476 dams and dikes, creating 337 reservoirs, and title to 76 hydroelectric power plants which generate 40 billion kilowatt hours of electricity annually. With much of this infrastructure built over 50 years ago, ensuring proper maintenance is critical for the continued growth and survivability of Western communities. Yet, the Department of the Interior has failed to provide adequate details on the depth and scope of the maintenance backlog at Reclamation facilities to some, including Members of Congress. As an example, U.S. Senator John Barrasso (R-WY) made the following remarks during a 2014 Senate Water and Power Subcommittee hearing on this issue:

I am very concerned that the Interior Department and its leadership have been less than forthcoming about the depth and scope of this problem. In 2008, Reclamation testified that the backlog was \$3.2 billion; similar figures have been quoted by administrative officials since then. I still have not been able to get the information as to how these figures have been constructed, nor have I been able to get a complete written list of the complete maintenance backlog for my home state of Wyoming.⁵

Reclamation operates a Facility Maintenance and Rehabilitation Program that identifies the needs of both its "transferred works" – infrastructure owned by Reclamation but operated by local project sponsors – and its "reserved works" – projects owned and operated solely by Reclamation. However, such reviews are not typically made public and exclude project specific needs. In his testimony before the Senate Subcommittee on Water and Power last Congress, Mr. Charles Stern, a Specialist in Natural Resources Policy for the Congressional Research Service stated:

...some agencies, such as the Environmental Protection Agency and the Department of Transportation, publish "need assessments" that include project level estimates for needed repairs and upgrades...⁷

However, Mr. Stern went on to state that:

...the availability of estimates for individual Reclamation facilities varies, and are generally not compiled or regularly updated in a centralized, public record.⁸

H.R. 1107 requires Reclamation to do an Infrastructure Needs Assessment Report every two years as part of its existing Asset Management Plan reporting process. As Congressman Paul Gosar, the sponsor of H.R.1107, has stated, "Our commonsense bill will allow Congress to

³ http://www.doi.gov/budget/appropriations/2015/highlights/upload/BH035.pdf

⁴ The Bureau of Reclamation Transparency Act, H.R. 1107, 114th Cong. § 2 (2015).

⁵ Statement by Senator John Barrasso, Senate Committee on Energy and Mineral Resources, 113th Cong., Legislative Hearing on S. 1800, Feb. 27, 2014

⁶ Submitted testimony by Mr. Charles V. Stern, Specialist in Natural Resources Policy for the Congressional Research Service, Senate Committee on Energy and Mineral Resources, 113th Cong., Legislative Hearing on S. 1800, Feb. 27, 2014, p. 2

⁷ <u>Id</u>.

⁸ <u>Id</u>.

⁹ The Bureau of Reclamation Transparency Act, H.R. 1107, 114th Cong. §§ 4, 5 (2015).

better prioritize funds for critical infrastructure projects for the purposes of ensuring an abundant supply of clean water and power for future generations." ¹⁰

Last week in a Senate Water and Power Subcommittee hearing on an identical Senate companion bill (S. 593) to H.R. 1107, Deputy Commissioner for External and Intergovernmental Affairs for Reclamation, Ms. Dionne Thompson, noted the importance of the proposed legislation:

...Reclamation recognizes the value in obtaining additional information on the status of our infrastructure. The bill is consistent with a draft Infrastructure Investment Strategy and process Reclamation has initiated proactively... the bill makes allowance for the valuable input from operating partners that is central to Reclamation's asset management program. ¹¹

The legislation requires future Reclamation Asset Management Plan reports to include: 1) an itemized list of major repair and rehabilitation needs at all federal management Reclamation facilities and projects; 2) a cost estimate of the expenditures needed to address those repairs; 3) a categorical safety rating using for addressing each item; and 4) a similar reporting requirement for privately managed, but federally owned, Reclamation facilities and projects. 12

Major Provisions/Analysis of H.R. 1107

Section 2 contains Congressional Findings about the need for a report addressing Reclamation's aging infrastructure. 13

Section 3 includes definitions of terms. 14

Section 4 directs the Secretary to submit a report to manage Reclamation facilities considered reserved works which includes facilities and structures that are owned by Reclamation. ¹⁵ The report will also help to standardize and streamline data reporting processes and expands on the information otherwise provided in Asset Management Reports, including a detailed assessment of major repair and rehabilitation needs, with a cost estimate for completion of each item and a categorical rating. ¹⁶ This Section also allows the Secretary to exclude sensitive or classified information from the report, and requires the Interior Secretary to consult with the Secretary of the Army in preparing the Asset Management Report. ¹⁷

 $^{^{10}\} http://www.barrasso.senate.gov/public/index.cfm/2015/2/barrasso-schatz-reintroduce-bill-to-address-aging-federal-water-facilities$

¹¹ Submitted testimony of Mr. Dionne Thompson, Deputy Director of External and Intergovernmental Affairs for the Bureau of Reclamation, to the Senate Committee on Energy and Mineral Resources, 114th Cong., Legislative Hearing on S. 593, June 18, 2015, p.4

¹² The Bureau of Reclamation Transparency Act, H.R. 1107, 114th Cong. §§ 4, 5 (2015).

¹³ The Bureau of Reclamation Transparency Act, H.R. 1107, 114th Cong. § 2 (2015).

¹⁴ The Bureau of Reclamation Transparency Act, H.R. 1107, 114th Cong. § 3 (2015).

¹⁵ The Bureau of Reclamation Transparency Act, H.R. 1107, 114th Cong. § 4 (2015).

¹⁶ Id

 $^{^{17}}$ $\overline{\underline{\text{Id}}}$.

Section 5 directs the Interior Secretary to coordinate with non-federal entities responsible for the operation and maintenance of transferred works in developing reporting requirements for Asset Management Reports, and requires the Secretary to develop and implement a rating system for transferred works that incorporated the same rating system for reserved works. 18

Cost

The Congressional Budget Office has not completed a cost estimate of this bill at this time.

Administration Position

The Administration testified in support of an identical Senate companion bill. 19

Witnesses

The Honorable Estevan Lopez, Commissioner U.S. Bureau of Reclamation U.S. Department of the Interior Washington, DC

Mr. Tom Davis, Manager Yuma County Water Users Association Yuma, Arizona

¹⁸ *The Bureau of Reclamation Transparency Act*, H.R. 1107, 114th Cong. § 5 (2015). ¹⁹ Submitted testimony of Mr. Dionne Thompson, Deputy Director of External and Intergovernmental Affairs for the Bureau of Reclamation, to the Senate Committee on Energy and Mineral Resources, 114th Cong., Legislative Hearing on S. 593, June 18, 2015, p.1